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Britain's Road to Recovery

Mildred Adams and William W. Wade

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Britain's Road to Recovery

by Mildred Adams

1. Always an England?

ANYONE WHO ASKS "Can Britain survive?" has first to define which Britain he means and what kind of survival he has in mind. Britain is, according to the Oxford English Dictionary, "the proper name of the whole island containing England, Scotland, Wales, and their dependencies." In that physical and geographical sense it will certainly survive unless an earthquake or a rain of atomic bombs more destructive than any yet invented should break it up and send it sliding into the sea.

But the English language is rich and imprecise. Britain has, by extension, other meanings, and in these meanings survival in the present form is more questionable. Britain as meaning a nation—that political division called the United Kingdom of Great Britain and Northern Ireland—is under scrutiny by political diagnosticians not content with the state of its health. Britain as a loose synonym for the British Commonwealth of Nations is suffering one change after another. The British at home face not only the strain of postwar readjustment, the need for new construction to rebuild bombed areas and depleted treasuries, but also the changes being wrought in the political and economic structure by a Labor government which believes in the tenets of socialism; they have also met the recent demand of the citizens of Eire next door for a status that is at once free and favored. The British abroad, whether as administrators of empire, as partners in the Commonwealth, as seekers for a workable balance of power

between nations, find themselves confronted with situations that are new and competition that is sharp.

Can Britain accept these changes at home and these heightened degrees of competition abroad without adjustments so violent as to mean the virtual disappearance of the nation as we know it, with its achievements, its position and its influence? The answer to this question is important to more people than the British. Other empires in other periods have lost their power and been reduced to inferior status. The world has then had to readjust its relationships. One does not have to go as far as Rome to see what Britain might become if what seems to be the present process of disintegration is not arrested. Spain had an empire once and lost it—in part to British competition.

Has Britain's empire started down the same decline that the empires of Spain, France, and the Netherlands have traveled? Or is there in Britain some trait of people, some art of governing, some vital resource, physical or spiritual, which will save it? Will socialism cure its ills or make them worse? Can Britain survive as a responsible and effective power of the first order in world affairs? Or is it doomed in turn to undergo the slow diminution of strength that has reduced older empires to weakness?

For the United States, the question of Britain's future is every bit as important as the question of Russia's future. In European affairs the two are like buckets in a well—when one goes up the other goes down. If Britain sinks into relative impotence, Russia will grow proportionately more powerful. On the other hand, if Britain is able to muster fresh and lasting strength to repeat once again that dragon-like gesture of shedding one skin and appearing young and strong in a new one, it may become that much desired "third force" which can create a peaceful balance in Europe and the world.

It is too soon to celebrate or to despair. It is time to look more closely at the factors which make Britain what it is. Only by knowing their relative strengths and weaknesses can anyone hope to prophesy.

2. The British at Home

Of the various skills on which successful nations in the modern world depend political sense ranks high. This the British have. The French are, or were in the days of their glory, diplomats; the Americans can improvise and organize quickly; the Germans are, or were, military experts. The British "know-how" is traditionally political. If, as one observer put it, they accumulated their empire "absentmindedly," they showed themselves highly inventive in governing it.

The United States prides itself on being a "melting pot," the Russians boast about the many races which they have gathered within the Soviet framework. But Britain has a record which is far more remarkable than that of the younger states. The famous empire on which the sun never set numbered in 1945 more than one hundred governmental units in five continents. It contained more than 500 million inhabitants in all stages of political and social development. Yet it was governed not in the exact pattern of the homeland, nor by the rigid hand of a police state, but under a variety of forms having considerable regard for the traditions and customs of the people being governed. If the important political problem of the twentieth century is, as an anonymous author writing for *The Round Table,* a serious British quarterly, puts it, the securing of a balance which will at once allow "freedom of the parts and united action of the whole," the world can learn much from British experience.

The ability to deal with men of differing habits and beliefs has been a secret of Britain's success in expansion. It still serves in this more difficult period when British power, if it is to survive,

must find new forms and set up new relationships. Winston Churchill, the Conservative, said somewhat tartly that he had not taken on the job of Prime Minister in wartime in order to preside over the "liquidation" of the British Empire. It is Clement Attlee, the Socialist, who faces the troubles now threatening both Empire and Commonwealth.

It was Attlee, not Churchill, who presided over the cabinet when India, after two centuries of British guardianship, came of age. It is Attlee, with his Foreign Secretary, Ernest Bevin, who had to decide what to do about Palestine. They are the men who arranged matters when the representatives of Eire, wishing to disassociate themselves from the British crown without at the same time giving up privileges enjoyed by members of the British Commonwealth, asked to have their cake and eat it on the plea that both Eire and the Commonwealth would benefit. American politicians move happily amid contrasts between black and white. The British have shown that they can work with a thousand shades of gray; if they succeed in handling international disputes in the present misty moment, it will be proof again that change of party does not blunt the skill of their governing.

THE TIGHT LITTLE ISLAND

Any attempt to outline the difficulties which Britain now faces at home or abroad must start with the British themselves, on their island. It is a very small island to have produced so much history and so many problems. The whole of Britain is only about six hundred miles long and has an area smaller than that of California. Yet 50 million people live on this crowded bit of land. The contrast between Britain's size and that of the United States, which has 148 million people living on 3 million square miles, explains many of the differences between the two countries which most puzzle Americans.

Although it is only twenty-two miles away from the European continent, this island still ranks in the British mind as an independent entity. The tale about the London paper which carried

headlines reading, "Fog in Channel Isolates Continent," is funny only to foreigners. From a strategic point of view the war made Britain a part of Europe; yet many Britons still talk as though they believe themselves to be less affected by what goes on in Europe than by what goes on in Canada or South Africa. They may be wrong, but that is the way they see it. Except for a military post at Gibraltar and another on the Mediterranean island of Malta, they have no toe-hold in Europe. This explains in part why they are impatient with Americans who, starting from three thousand miles away, sometimes seem to ignore the English Channel and lump the problems of Britain and the continent together.

The home island is small, it is (or so it thinks) independent, it is old, it is united, it is compact. Britain in the geographic sense has been Britain in the political sense only for a couple of centuries, but England has been England for nine hundred years. The Danes made England into one kingdom as far back as the tenth century, and William the Conqueror, over from France, confirmed their work. Wales joined England to create an entity known as Britain in 1536 when Henry Tudor, a Welshman, sat on the English throne and proclaimed an "Act of Union" between the two. James I made it Great Britain in 1604, but the "Great" was an idle boast which was not made good for a hundred years. Then in 1707, Scotland joined its southern neighbor and the unity of island and people was completed. Their various civil wars had been bloody, but they were over.

ENGLAND THE CORE

It is therefore more than pride of place which makes an Englishman sure that the core of Britain is England. The Scots and the Welsh view the matter differently, but history is not with them. Nor is the author of *The Dictionary of Modern English Usage* who wrote that the "incorrect use" of England and Englishman "as equivalents of Great Britain, United Kingdom, British Empire, British, Briton is often resented by the Scotch, Irish and Welsh;

their susceptibilities are natural, but are not always to be deferred to . . . The attempt . . . to compel them [the thirty million English] to stop and think whether they mean their country in a narrower or wider sense each time they name it is foredoomed to failure." He might have added that the habit of using such terms indiscriminately is one of the most convenient devices ever put at the service of statesmen.

Those nine centuries of living as a united kingdom give Englishmen their sense of being one people in one place, pulling together in crisis as one people and quarreling in peace as only a united family quarrels. It was a high-ranking official of the Labor Party who told an American how satisfying it was to live in a land "where one knows what people think and where they all think alike." He may not have been expressing a provable truth, but he was certainly giving voice to a widely held sentiment. That is what Englishmen like to think is true. Particularly in the Labor Party, so recently emerged from minority status, do they cherish the illusion of complete unity. Even the existence of Communist and Fascist fringe groups is within this pattern, for they are tolerated only when the country is at peace and has time for family quarrels.

GOVERNMENT BY GROUP

This sense of one-ness is both strengthened by and mirrored in a phenomenon of British life which is little understood in the United States, and often misinterpreted. Government in England is in the hands of a relatively small group of men who are trained for it as men in the United States are trained for medicine or the law. These are the governing elite, the men who make a career of governing. They are found in the cabinet, in Parliament, in the civil service and in the far-ranging foreign service.

Government in the United States is in theory everybody's business, for sovereignty resides in the people, and the people are "created free and equal." In practice it sometimes seems to be nobody's business.

In England the theory and practice of government were for so many years the business of the King and his counsellors that the habit of considering it a superior pursuit continues. By the same token it has seldom reached very far down into the ranks of the people. Labor enthusiasts claim that bus drivers, cabmen, and washerwomen standing patiently in line for a bit of fish on Fridays now speak of "our government." But it rarely crosses the minds of the poor and humble that they might choose to run for office at the next election. Today it is possible for their sons and daughters to choose a political career—if they are willing to undertake the apprenticeship and long climb to the top that the British system requires. This long climb is illustrated by the fact that all of Labor's present top-ranking cabinet members, with one exception, had entered Parliament by 1930. The exception is Ernest Bevin, who after decades of leadership in the trade union movement won his first seat in Commons in 1940 simultaneously with his appointment as a wartime minister. The exception merely proves the rule that in Britain politics is a profession, that able and experienced men do not drift in and out of ministerial service as they do in the United States.

This tradition is part of "the way things are done" in Britain. The Labor government is still government by an elite. The difference between this and Britain's previous pattern of leadership —a significant difference—is that the base from which the chosen are recruited has been broadened. Parliament, where political novices come under the national eye, has now 145 trade union leaders among its 640 members, and there are in the seventeen-man cabinet six who were directly sponsored by the trade unions.

The Labor Party elite is not composed of the same individuals as the Tory elite, but education, religion, and the concept of politics as a profession all contribute to keeping the affairs of government in the hands of a small, close-knit group, of long experience and good discipline. Sir Stafford Cripps, Clement Attlee, Hugh Dalton, and many other leaders of the Labor Party come from the middle and upper classes, went to school with their

political rivals, and sat for years as minority members of Parliament in opposition to Tory governments.

The old governing elite were trained at Oxford or Cambridge, studied the same classics, history, literature under the same tutors, took the same examination, loved—or hated—the same friends. The new governing elite come in part from those same colleges, for the sons of working men have begun to make their way into the universities and the sons of peers have made their way into the Labor movement. In addition those who rise from below and those who descend from above meet at the London School of Economics, that branch of the University of London founded by Sidney and Beatrice Webb which has gained prominence from the number of Labor's leaders who have taught on its faculty.

MORALITY AND RELIGION

It is the pride of the British that graft has almost no place in their political life. There are occasional "scandals," as shown in the recent investigation of Board of Trade officials, but they are likely to involve such "indiscretions" as the acceptance of a few gifts rather than serious bribery.

Hardly less remarkable to the average American is the open British avowal of the Christian religion as the basis of their lives. Some ten years ago a well-known political scientist, Lionel Curtis, wrote a book called *Civitas Dei* (City of God) in which he traced the modern Anglo-Saxon democracy straight from the teachings of Christ and the studies of St. Augustine to the halls of Parliament. This was not a work which attempted to convert Englishmen to political beliefs based on religion; it merely set down in orderly terms what is to many of them a deeply held working belief. British religious leaders of all sects have played prominent roles in various movements of social reform. Some of the nonconformist churches, for example, have been training schools for that Christian socialism which is an important part of the heritage of present Labor Party leaders.

Another cohesive force in British life is the island's largest city.

London is the capital of England, it is the capital of the Empire, it is the capital of the Commonwealth. Unlike Washington, it is not only the capital of government, but also of finance, trade and industry, of law, of culture. It is by tradition and heritage the most completely British of the island's cities. Seldom does one say of London, as of New York, "But of course London isn't England." London is England, it is Britain, it is the Empire, it is the Commonwealth.

THEIR POLITICAL SYSTEM

The political system through which the British function is, as most Americans know, a constitutional monarchy. The constitution is unwritten, a body of law and custom changing continually over the centuries; the monarch has limited powers, yet he is more than a figurehead or walking abstraction.

There are a great many variations between the American and British systems—it is only possible to touch on a few of them here. Nevertheless, both are democratic, responding at intervals to the will of the people through elections. Technically speaking, British sovereignty resides not with the people, as indicated in the preamble of the American Constitution, but with "the King in Parliament." The crown is the symbol of sovereignty not only for the United Kingdom but also for the members of the Commonwealth; the King is sovereign as King of Canada, as King of Australia, etc. The crown is thus a highly useful device for the unity of Empire but not an unchangeable one. Constitutional lawyers, for instance, have been searching for alternatives to this formula because of the desire of India to become a republic.

"The King in Parliament" is the center and the spirit of the British system of "responsible cabinet government." The King names as his Prime Minister the leader of the largest party in the House of Commons, and the Prime Minister and his cabinet hold office only as long as they enjoy the confidence of the House of Commons. When they lose that confidence—or when in peacetime they have held office for five years—they resign and a new

general election is called. The fact that the Prime Minister and his cabinet ministers are members of Parliament, that they lose office when defeated in Commons, blurs the distinction between legislature and executive that prevails in the United States and makes it impossible for an administration to exist with a legislature in which the opposing political party has a majority. The hereditary House of Lords, the upper chamber of Parliament, plays a relatively minor role in this pattern.

The British system, like that of the United States, functions through the existence of two strong parties. The Liberal Party, the main nineteenth century rival to the Conservatives, has melted to a mere fragment of the electorate as the Labor Party has grown in strength over the past three decades. It is the predominance of the two main parties—sustained by the preferences of the electorate, by certain factors in the electoral system, and by the discipline maintained within the parties themselves—which has kept British government free from the factional strife, the instability, and the ever-changing coalitions of continental parliaments.

The British government is a central rather than a federal government. With some variations, the same statutes apply throughout the United Kingdom. The variations are bewildering—Scotland has its own common law and is frequently the subject of special legislation passed in London and administered through a Scottish Secretary of State—but it is generally true that the parliamentary system reflects the homogeneity of the British people.

This homogeneity has about it a mystic quality which is often hard for Americans to understand. The whole complex of governing units is put together not unlike a set of Chinese boxes that nest one inside the other. The Londoner is at home in his corner of London, in the capital, in England, in Britain (which he may sometimes call the United Kingdom), in the Empire (which he has more recently learned to call the Commonwealth). All this gives him a sense of strength and flexibility that has been shaken but not broken by the events of the last two decades. Testimony from many sources insists that the war intensified this sense of the

strong heart. Events since the war—the election of the Labor Party, the continuance of restrictions and controls, the unexpected slowness of recovery—have made many men doubt again, but the basic confidence of Britons in Britain's ability to ride out political changes and remain substantially the same still persists.

BASIC ECONOMIC SYSTEM

The economic life of Britain has a pattern far clearer than that which makes its political life so hard for outsiders to comprehend. Agriculture, mining, trade, and industry have, in their various periods, been the major fields in which Englishmen, Scotsmen, Welshmen gained and spent. The last two hundred years (which include that extraordinary phenomenon, the Industrial Revolution) is the period which most clearly set in motion the forces that made Britain what it is today. It created both Britain's power and its present problems. It established a pattern which the various countries of the world have in their various ways sought to follow ever since.

It is not too much to say that Britain set in motion the modern industrial world, with its glory and its waste, its bounty and its misery. And today, although British industrial predominance has been challenged, although the United States has become a greater and richer power, Britain remains an important industrial nation, still unbroken.

The pattern which emerged in the nineteenth century is what economists have called "capitalism," "industrial capitalism," or "private enterprise." Its distinguishing features are the application of mechanized power to processes hitherto performed by human labor, the use of masses of disciplined workers to tend the machines, and the consequent establishment of the factory system. It started around 1760 with the invention of a power-driven machine to take the place of the spinning wheel which was driven by a woman's foot on a treadle. Spinning had been a home industry, but now it moved out of the home into a factory. Power was applied to weaving and then to a wide variety of processes.

Goods surpassing former dreams of plenty could be produced by mechanical power and sold more cheaply than the far smaller supplies which had been made by hand.

All this new merchandise swelled the streams of trade inside Britain, between Britain and the continent, between Britain and its colonies. Home-grown supplies of raw materials very quickly proved insufficient for the hungry machines. Wool was raised in the British Isles and English weavers were skilled. Linen grew there, but not enough of it. Cotton was lacking, but it could be bought cheaply in bales, handled well in the damp climate, sold in the form of finished goods at a greatly increased price. Coal in abundance furnished steam power.

This burst of factory building and factory production, a good half century before it appeared in other countries, stirred in turn the industries that are the suppliers and carriers of trade. Britain's roads which had been notoriously bad were put in order, canals built, the first railroads in the world followed, and the merchant fleet expanded. Banking and insurance grew into a business far more detailed, complex, and profitable than ever before as cargoes and carriers increased.

The nineteenth century development of industrial Britain is a fascinating story of manufactured products poured into ever-widening markets that eventually encompassed the world and of trade that was as free of restraint as it was prosperous. The profits were huge. The industrialists of Victorian England spent them on a scale of comfortable living that became an envied by-word in less fortunate lands.

But there was another side to it. Not only were the conditions of the workers deplorable, but the Industrial Revolution (which had produced in turn a revolution in commerce and in business) carried within itself the very elements which would slow its progress. There was the matter of competition from abroad. Britain tried at first to keep to itself the secrets which had made this new expansion possible. Laws were passed forbidding the export of patterns for making the new machines, but they soon proved

ineffective. British machines and methods were copied, adopted, installed in France, Germany, the United States, later in Japan and in India. The newer industrial countries set up tariff barriers to protect their infant industries, depriving England of markets there. As soon as these young competitors supplied their own needs they began reaching out for markets in other lands. Thus they not only barred England's goods from their own markets, but became competitors for the trade of peoples hitherto dependent on England for manufactured goods.

AN ERA OF CONFUSION

The 1914–18 war represented a line drawn across Britain's long era of prosperity. The conflict interrupted the flow of British coal, cotton goods, and other products to many different markets. Japan stepped in to take over many Far Eastern customers. Other nations developed their own resources and industries. Meanwhile, the British, in order to get foreign exchange to buy war materials abroad, began the liquidation of their overseas investments, diminishing the rich yield of dividends and interest which Britain as a creditor country had long enjoyed.

The inter-war years brought further troubles, revealing all the trends which have made Britain's current economic position a critical one. Foreign competition became keener. Tariff walls rose. The depression of the thirties stultified world trade, the trade by which Britain lived. Britain finally abandoned the policy of free trade which had proved so profitable in the past, erected its own tariffs, and, together with the dominions, established the system of imperial preference whereby trade within the Empire is subject to lower duties than trade with the rest of the world.

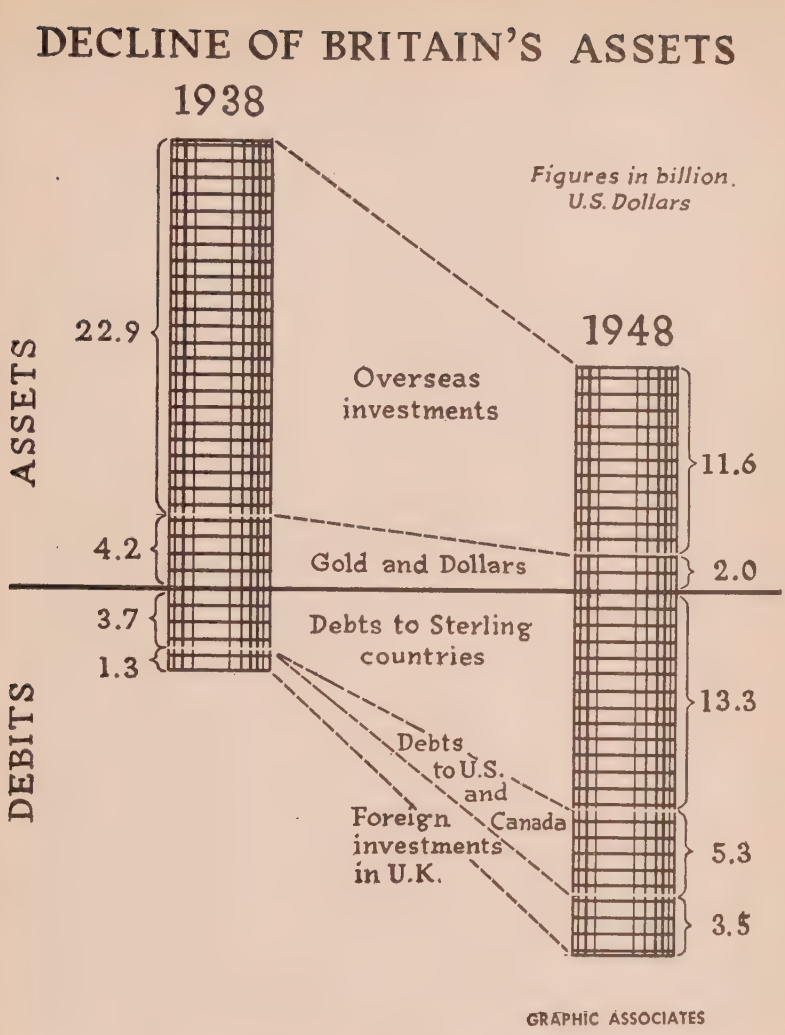
With these developments, British industry suffered. Coal mining and the manufacture of cotton goods were especially hard hit. Iron and steel, ship building, and other trades, once regarded as basic to the economy, went through serious crises. The nineteenth century pattern of British industrial leadership was in the process of fundamental transformation, and this transformation

carried with it serious consequences for the very techniques by which Britain made its goods. Writing as early as 1915, the economist Thorstein Veblen analyzed the "systematic obsolescence" which "is always in progress in any community where the state of the industrial arts is undergoing any appreciable degree of change." He cited as an example the British railway system with its small wooden cars "which have at best a playful air when brought up against the requirements of today" and the expense which change would entail. A railway system is all of one piece and cannot be modernized merely by supplying it with heavier steel cars to handle heavier traffic. If engines and cars were made heavier, distance between the rails should be widened, roadbeds would have to be rebuilt, bridges widened and strengthened, tunnels rebored, water tanks and the pipes leading to them made larger, signal apparatus put farther apart, switches lengthened, stations rebuilt.

Before World War II a significant portion of British industry was functioning with what would be considered obsolete equipment by American standards. An attack on the problem had been started—in the iron and steel industry, for example—and some of the newer British industries were efficient, competitive, and well-managed. But as Britain's danger increased, all production which did not strengthen the sinews of war was pushed aside. There was no time to scrap old plants, factories, and assembly lines, no matter how antiquated by economic standards, and build new ones. British war production had to use what was available as best it could. As a result a good part of the industrial machine emerged from the conflict more obsolete than ever.

And this was only part of what the war against Hitler did to the economy. Bombing destroyed or damaged 4 million houses and inflicted approximately $6 billion worth of destruction to factories, railways, and docks. Half of Britain's shipping fleet was sunk and wartime building only brought it back to three-quarters of the prewar tonnage.

Most important of all was the change in Britain's status as a



creditor. Before the war the great wealth of overseas investments, accumulated during the heyday of Victorian leadership, covered many inadequacies of the economy. When Britain imported more food, goods, and raw materials from abroad than it could pay for with its exports, income from overseas investments helped close the gap. When the country went farther into the red, it

could always sell some of these overseas assets and thereby purchase enough food for its people to eat, enough raw materials to keep its factory wheels spinning. The war called for more munitions than could be produced in the tight little island; it called for great expenditures of foreign currencies as the British built airfields in such places as Egypt, India, and Burma. As a result the British government requisitioned from private citizens something like $4.5 billion worth of overseas assets and sold or pledged them in order to buy—before the beginning of lend-lease—American munitions, planes, and tanks, and in order to conduct campaigns in the African desert and the Malayan jungles.

In addition it incurred another $12 billion worth of new debts. At the end of the war it owed money to dozens of nations which had previously been in its debt—to Argentina for wartime beef, to Canada for wheat, to Australia, to Egypt, to India, and to a long string of others. The export trade, by which Britain in peacetime had helped to pay for its many imports, was at the war's end at a level of half the 1938 figure. Earnings from shipping, insurance, banking, and other services—known to economists as "invisible" exports—were greatly reduced. Lend-lease had stopped, and it was only a question of time before Britain would be faced with insolvency and starvation. It was these considerations which led to the $4 billion loan from the United States in 1946. When that proved insufficient to put Britain on its feet, when it became evident that other European nations were facing similar problems, the European Recovery Program followed.

These have given Britain breathing space, time to re-equip its industries, and the opportunity to begin a flow of exports to the rest of the world which may regain the nation's solvency and allow it to continue to exist without a drastic drop in its standard of living or a mass emigration of its population. But only Britain itself can solve the real and fundamental problems; only the British people can determine whether their nation is to decline or recover.

3. Socialism as a Solution

THIS, THEN, WAS the political and economic heritage of the Labor Party when the electorate, at the end of the European war, turned out its wartime hero, Winston Churchill, and voted in Clement Attlee and his followers. Problems unresolved before the war were greatly complicated by the problems created by the war itself. The entire pattern of British life had been wrenched violently out of place. Industry not only had to shift from the production of guns to the manufacture of tweeds and chinaware, but new means of livelihood had to be found for an important part of the population.

It was true that the war had brought certain positive values. It had heightened that British sense of one-ness until it became a great spiritual experience. It had shown that life in the small, crowded island was possible even with extreme shortages of food, clothing, and consumer goods, provided that the supplies on hand could be fairly distributed through an effective rationing system. It had given the government experience in the handling of controls over industry, materials, money, food, almost everything which flowed through the economy. It had given the people experience in adjusting their daily lives to the operation of these controls.

Britain had approached a socialist economy during the war in the sense that government regulation reached into many workshops, factories, business offices, and markets. These things had been regarded as necessary by all parties in conducting the war effort. It was widely conceded that many of them were necessary, also,

to help meet Britain's postwar economic problems. But whether a high degree of government control should continue indefinitely and whether an important part of industry should come under public ownership were issues which remained to be debated.

LABOR'S MANDATE

The Labor Party, which advocated socialism as a peacetime policy, offered an election platform calling for the nationalization of a number of important basic industries. When it won the July 1945 elections, it gained a fairly clear-cut mandate for carrying out its program. Of the 25 million votes cast, nearly 12 million went to Labor candidates, just under 10 million to the Conservatives, about 2¼ million to Liberals and less than a million to independents and fringe parties. (It is interesting to note that the Communists polled less than 100,000 votes.)

Translated into terms of Parliamentary seats, this 2 million majority gave the Labor Party 393 out of the 640 places in the House of Commons. Unless there was a split within Labor's ranks, Prime Minister Attlee could count on a safe majority of votes for any legislation he chose to bring forward.

Why Labor came in at that moment is not so clear, and almost as much space was spent discussing the 1945 election result as was to be spent in analyzing the Truman victory in the United States three years later. Did the British vote for Labor or against the horrors of the war they had just survived by a narrow and uncomfortable margin? Did they vote for socialism or against their memory of Chamberlain's umbrella and the political sterility of prewar days? The average voter had lived through two wars and a major depression. Six years of the second war had brought him full employment and good wages, but his memories of prewar peace were neither comfortable nor proud. Whatever else may have moved him, he was clearly determined not to go back to what he had had.

Whether he meant to put the country under socialist control is another question which Britons argue. He could hardly have

voted for the Labor Party and not voted for socialism. The socialist background of the Labor Party is frequently played down in the United States by some of Britain's friends who do not want to imperil Britain's chances of getting needed American aid. American aversion to the term, American fear of any doctrine which is further "left of center" than Franklin Roosevelt's New Deal should not, however, be allowed to paralyze all inquiry into what this ruling British doctrine is and how it functions. The double question—how far have the British "gone socialist," and what will be the lasting effects on Britain and on the world—is too important to be obscured by prejudice.

WHAT BRITISH SOCIALISM IS

To many Americans, socialism and Karl Marx are one, and that one is communism. This is not true in Britain. There the creed called socialist sprang up more than a hundred years ago as part of a protest against working conditions and social inequality. The factory conditions under which men, women, and children labored in the early days of the Industrial Revolution horrified kind-hearted people in many walks of life. The center of protest against them was frequently the church, and particularly the nonconformist chapel, whether Methodist, Baptist, or Congregational. So marked is this Christian factor in the movement's history that Prime Minister Attlee thinks it must be given "the first place in the influences that built up the socialist movement." Various successful British capitalists, including Robert Owen who made a fortune in cotton spinning, took part in formulating the early Christian socialist theories as a protest against the inhumanity of working men fourteen hours a day and chaining children to power-driven factory machines.

This Christian socialism was, in the beginning, a movement for the workers but not of them. The workers formed trade unions to fight their own battles with their employers but shunned political action. It was not until the end of the nineteenth century that the trade unions turned seriously to politics. They entered the or-

ganization which became the Labor Party in 1906. And it was only in 1918 that the Labor Party formally embraced a socialist doctrine.

Meanwhile, a different kind of socialism was being evolved on the European continent under the leadership of Karl Marx and his disciples. Although Marx spent his life in exile in England after 1849, his impact on the British movement was slight. English socialists were reformers who believed in parliamentary means; Marx and his followers were convinced that their "scientific socialism" could come only by revolution. This sharp and basic contrast has remained, even though some leaders of the Labor Party have flirted with Marxism. It is Christian socialism with a non-Marxist background, with its emphasis on social reform through parliamentary action, which makes British socialism unique in Europe.

As Francis Williams, a leading Labor Party publicist, sums up the differences: "Where doctrinaire socialism has often been a strong opponent of the churches, British socialism has a strong religious basis . . . Where theoretical socialism has usually been republican in outlook, the British socialist movement strongly supports a constitutional monarchy. Where Marxist socialism . . . seeks state control of all the instruments of production and distribution, British socialism envisages a typically English mixture of nationalized basic industries and privately owned and operated companies working together for the same social purpose. And where many leftwing movements have become increasingly authoritarian in character, British socialist philosophy derives most of its strength from its democratic nature." Mr. Williams believes that if things ever reached the point where the British had to choose between socialism and democracy, they would choose democracy. It is the task of the Labor Party to see that they are not offered this choice, but that somehow the benefits of socialist planning can be combined with the benefits of traditional British liberty.

Three organizations fused to form the present Labor Party. These were the Independent Labor Party (formed by Keir Hardie to persuade the workers that the only way to win the reforms they wanted was through political action and that Christian socialism must be the basis of that action), the Fabian Society (an intellectual research and propaganda group founded in 1884 which attracted the leadership of Sidney and Beatrice Webb, Bernard Shaw, and others who wanted to translate socialism into practical administrative terms), and the Trade Union Congress. The fusion was not quick nor easy. It was not until after World War I that the Labor Party became an effective political force. The party first came to power in 1923 but lasted less than a year. It came to power again in 1929 under Ramsay MacDonald and lasted two years. Both these governments achieved their majorities in the House of Commons only with Liberal support, and their effectiveness was hampered by this coalition during the stresses of the inter-war period. Driven from power by the defection of MacDonald in 1931, the Labor Party spent nine years in opposition to predominantly Conservative governments and then joined Churchill in 1940 in the all-party wartime cabinet.

The party organization has a federal structure. It includes trade unions, socialist and cooperative societies, and "constituency organizations" to which individual members from various election districts may belong. The trade unions, which participate as organizations, represent more than 4 million in a total party membership of 4,685,000. This, of course, gives them a very strong voice in party affairs. More than four-fifths of the party's central funds come from the trade unions, and more than four-fifths of the votes on major policy matters lie in trade union hands.

Yet the value of the fusion with other groups is far greater than these figures would indicate. The varied character of this third Labor Party government becomes clear if one takes a look at the men who head it. No one figure in it has the prestige, the

magnetism, or the myth-making powers of Franklin Roosevelt or of Winston Churchill. No one stands out as "that man"; British Conservatives talk of "that crowd." The life histories of the government leaders show the power of the governing tradition, the emphasis on party loyalty, the mixture of classes within the socialist movement which gives the Labor Party its present toughness and interest.

Clement Richard Attlee, Prime Minister, is the unspectacular son of a well-to-do attorney whose politics were Conservative. He was born in the comfortable middle-class suburb of Putney, went to a good "public" (which in England means private) school, was graduated from Oxford, and held Tory convictions until he began his political career as a social worker in London's East End.

At the other end of the social scale is Foreign Secretary Ernest Bevin—massive, stubborn, sometimes ruthless and sometimes beaming. He is the orphaned son of poor agricultural workers in Somerset, went to work at eleven as a farm boy, tried his luck as dishwasher, hotel page, clerk, and driver of a mineral water truck, was picked by one of the famous old trade union leaders to organize dock and transport workers. He made the Transport and General Workers Union one of the largest in the world.

Herbert Morrison, Deputy Prime Minister, Lord President of the Council, Leader of the House of Commons, was the son of a London policeman and a former housemaid. He left school at fourteen to be an errand boy; while holding various jobs in the day time he studied socialism at night. Politics is "the air he breathes, the food he eats, the blood in his veins." He helped organize the London Labor Party and worked his way up through Labor Party ranks from soapbox speaker to cabinet minister.

The pendulum swings back again with Sir Stafford Cripps, Chancellor of the Exchequer. Sir Stafford's father was the first Lord Parmoor, an expert on Church law and member of Parliament. Three uncles, two great grandfathers and a great-great grandfather were also M.P.'s. Sir Stafford was educated in both science and law, became recognized as one of the greatest com-

mercial lawyers of his day, earning well over $100,000 a year in fees. He is a teetotaler and a vegetarian, and with his narrow, sensitive and highly intelligent face he looks so like Woodrow Wilson in his energetic days as to startle an American. He is a socialist from economic and ethical conviction, and there is reason to think that his deepest desire is to lead his country in spiritual rebirth.

Compare with his the record of Aneurin Bevan, who is now Minister of Health and in charge of Labor's housing program. The son of a Welsh coal miner, Mr. Bevan went to work in the mines at the age of thirteen and represents in Parliament one of the depressed mine areas in South Wales. He was first elected to Parliament in 1929 and appeared as a rebel from the start. Happiest when opposing something, he had his greatest opportunity during the war when he became Winston Churchill's most persistent heckler.

Of these five, four have spent the major part of their working lives immersed in socialist propaganda, trade union practice, Labor Party politics. They have made careers of the business of government in power and in opposition, and American political practice where party discipline is less arduous does not produce their exact counterparts.

THE TASKS LABOR FACED

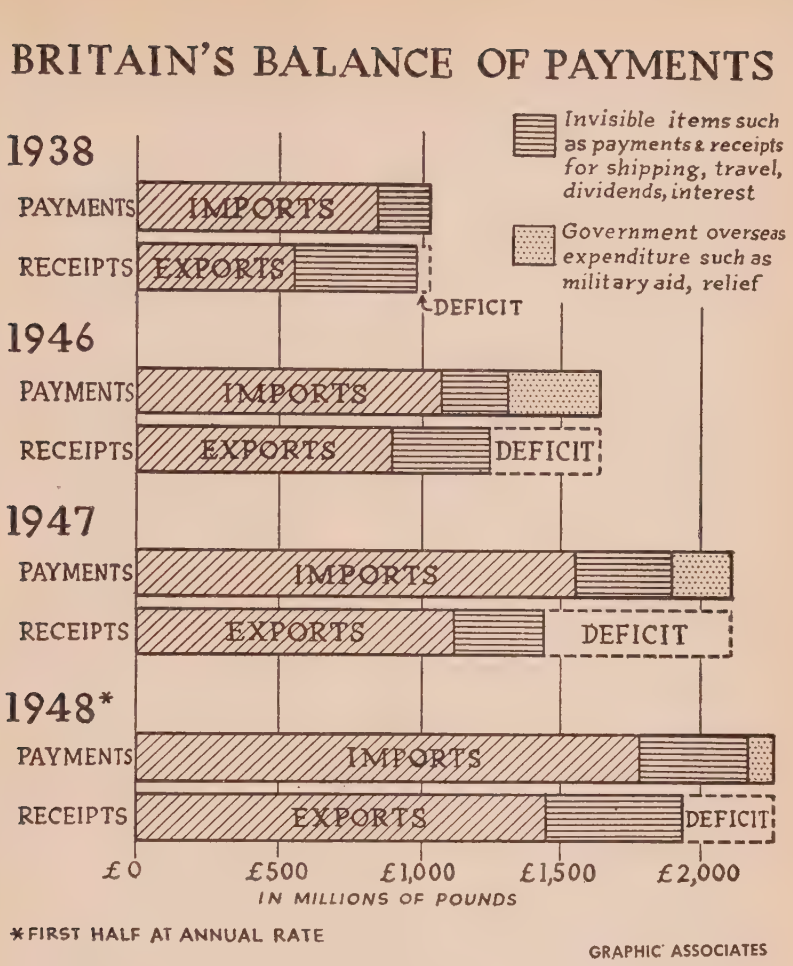
It cannot be repeated too often that the tasks the leaders of the Labor government faced were tremendous. Postwar Britain was confronted with the damage wrought by a war which had dislocated its life and engaged all its energies. To get the nation going again on a path toward self-support in a world very different from that which earlier generations of Britons had dominated required great efforts. Industries which had devoted six years to the manufacture of war materials had to be converted to peacetime production; men who had spent the same six years in what might be termed uneconomic pursuits had to find useful jobs in the new civilian economy. And if the nation was to maintain its

standard of living and win a moderately prosperous future, the government had to lead and encourage industry to the point where the level of British exports would be 75 per cent above that of the volume for 1938. This last was, above all, Britain's great task, for it represented the battle for survival, the fight to win the means of paying for all the goods and commodities which the nation needed from abroad.

The Conservatives, recovering from the shock of the Labor victory, assumed at first that these problems were enough in themselves to keep Labor's mind off socialist doctrine. In common with many American observers, they failed to recognize the fact that to Labor's leaders socialism was not a coat which would be put on and off at will but a theory of governing that included techniques of handling economic and political problems.

Labor's program had three parts—economic, equalitarian, reformist. The economic part is founded on the premise "that if the nation's resources are to be used in the best interests of the community as a whole, then planning is necessary." Plans were accordingly made for surveying the national economy so as to create a central plan, developing those basic industries which would be brought under national ownership or control, gearing into the central plan the 80 per cent of industry left in private hands, and increasing farm production so as to lessen Britain's dependence on imported food.

The nationalization program might have been more difficult to achieve had the Labor Party come to power at a less disorderly moment. As it was, it seemed to many people the best and quickest way of handling many questions. The Labor Party had been elected on a platform which promised nationalization of seven groups—the Bank of England, the coal industry, gas and electricity, inland transport, iron and steel, civil aviation, and overseas telecommunications. This, said Labor when accused of moving too fast, represented only 20 per cent of British industry. The other 80 per cent was to remain under private enterprise—at least until the next general election when the people could decide whether



or not to give the Labor Party another mandate for further nationalization.

In order to understand what the program means it should be said that the word "nationalization" is a kind of shorthand. It means public ownership, public control of policy through Parliament. The government buys an industry from its owners at a price set by some form of neutral arbitration. It then places control of that industry in the hands of a board, the members of

which are drawn from the ranks of management, labor, and technical experts. This board acts much as a board of directors under corporation practice, with the exception that the public board is answerable to Parliament through a minister in the government, a minister who may also issue policy directives to the board. The great difference between public and private ownership, according to the socialists, is that the aim of private corporations is to make profits for their shareholders while the new boards are directed to run their enterprises in the public interest with due regard for the welfare of the workers in the industry.

The "public corporation" was not a Labor Party invention but had already been at work for some years in a few fields. The Port of London Authority was established as early as 1908, the Central Electricity Board in 1926, the London Passenger Transport Board in 1934.

NATIONALIZATION SCHEDULE

In the first three years of Labor's administration laws were passed to put four-fifths of the nationalization program into effect. In the fall of 1948 with the introduction of the steel nationalization bill Labor approached the last and stiffest hurdle.

Each of the industries for which nationalization has been prescribed presents individual problems. Some measures have been passed by Parliament with relatively little controversy; others have been the subject of heated debate. The Bank of England was the first institution to be nationalized. Its transfer into public hands created hardly a ripple on the political scene. The bank, of necessity, had long worked in fairly close harmony with the British Treasury. The nationalization act provided fair and generous terms for the government purchase of Bank of England stock from the private individuals who owned it, and there were no screams of pain from the stockholders.

Coal was a different problem. The mining industry, the backbone of Victorian prosperity, had been in a bad way throughout most of the twentieth century. Labor based its case for nationalization

largely on the Reid report, a thorough survey prepared by engineers and other experts who had been appointed by the wartime coalition government. The report listed a great number of detailed technical measures necessary to bring the mines up to efficient production. It also named as a "cardinal necessity" for this technological reform the establishment of an effective national authority for the reorganization of the business end of the industry. Like other previous inquests into British coal, the Reid report found that the many individual companies which ran the mines were incapable of a large-scale rationalization of production. Labor's nationalization bill was duly passed by Parliament, the National Coal Board was appointed, and on January 1, 1946 title to the pits was formally "vested" in the state.

This, however, did not solve Britain's coal problem. In the last years of the war the nation's coal stocks, formerly large enough to provide plenty for export, had been shrinking as output fell below consumption. The nationalization of the mines coincided with Britain's severest winter in fifty years. Transportation became snarled as domestic grates and power stations consumed their stocks of coal at a record clip. A month after vesting date, Emanuel Shinwell, then Minster of Fuel and Power, had to announce that half of Britain's factories would shut down for three weeks and that Britain's homes would be light-less five hours daily. Some of the blame for this fuel crisis could be laid to the weather—but not all. As Shinwell later confessed, "When the mining industry was nationalized . . . we thought we knew all about it; the fact of the matter was, we didn't."

Americans wondered openly why Britain did not import American machinery and get on with the job. It was not that easy. What hit the mines in that hard winter was the result of a complex situation. In part the difficulties were mechanical, in part economic, and in part social and psychological. Mining had become the "problem child" of British industry.

Years of unemployment and depression in mining areas created a feeling among the miners that their trade had lost caste. In

South Wales and elsewhere the older miners broke the tradition of generations and swore that their sons should not go into the pits. The government had taken many of the boys out of the mines during the war and put them into the fighting services. Let the government keep them above ground in times of peace.

This revolt of the gnomes is no light thing. Persuasion on the part of the Labor government and trade union officials has helped halt the decrease in the number of British miners. Absenteeism, another postwar problem, has been cut down slightly. Production of coal has risen notably since the bleak winter of 1946–47, reaching nearly 210 million tons in 1948, stocks have increased, and exports have been resumed on a limited basis. But any real solution must await a long-term reconstruction of the industry which involves the sinking of new deep pits, large capital expenditures, and years of waiting.

TRANSPORT

The second round of nationalization bills followed on the heels of the first. The Labor Party set out to bring the whole complex system of transportation under one management. This included canals built in the days before steam power, railroads built in the early days of the Industrial Revolution and suffering openly from age, streetcar lines, bus lines, trucking, subways, even certain cross-channel boats and hotels owned by the railroads.

The avowed aim was economy and efficiency. With Britain so hard pressed for funds, manpower, materials, the nation could not, or so the Labor argument ran, afford to waste them on competition between parallel services. The Minister of Transport claimed that given public ownership the state would be able to consider the problem of unification as a whole, free from the pressure of private interests in any one sector, and that it could cut through complicated tariff schedules so as to impose a simple fare and rate system.

The bill passed by Parliament provided for government purchase of railway securities at prices prevailing on the Stock Ex-

"Strike another match, Harry—I want to read about the improvement in the fuel situation."

London Express Service

change during certain periods. On that basis the railways and the London transport system together cost the government more than a billion pounds—$4,078,800,000. Other units added later boosted the size of the transaction still higher.

Other industries came under public ownership in a steady procession as the Labor cabinet pushed various measures through Parliament. British airlines, a subsidized monopoly before the war, were nationalized. The British-owned network of overseas cable and wireless communications was taken over by the state, partly as the result of a request by the dominions. The production of electricity and the gas industry were placed under new public corporations, and the development of atomic energy was another enterprise set aside for government ownership.

IRON AND STEEL

The last item on the Labor Party's agenda and perhaps the biggest issue of all is now before Parliament. Coal, transportation, electricity, and the others can all be classified as public utilities. Non-socialists can tolerate the argument that they represent special problems which call for government ownership. But the iron and steel industry is in another class. If steel is to be nationalized, why not buttons, boots, shoes, and men's white shirts?

Even the socialists themselves at the Labor Party conference of 1948 voiced sharp criticism of the proposal to nationalize steel. It was noticeable that the people who raised the gravest questions were from factories or from the industry itself. The plan was approved in the end, but it was clear that the party's experience in the operation of coal mines and of transport had sobered the enthusiasts. The more thoughtful party members were much less inclined to rush headlong into further projects than they had been when it was all a matter of theory and doctrine.

At this writing the steel nationalization bill has been introduced into Parliament. Presumably, given the Labor Party's majority there, it will pass, but it may be modified in the process. Furthermore, Labor's bill provides for a vesting date in 1950 which is

Vicky in *The News Chronicle*, London

expected to coincide roughly with the next general election. The voters may prove to be the final judge for the steel industry.

WILL IT WORK?

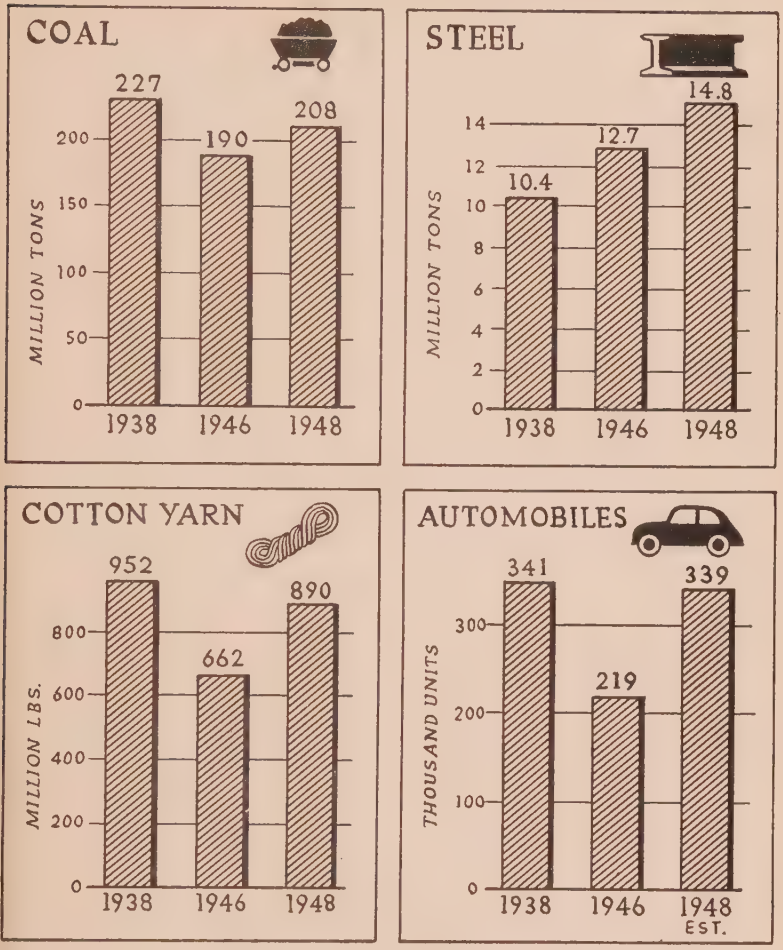
The success or failure of Labor's nationalization program is intimately related to the whole of Britain's recovery effort. The cost of coal, the supply of steel, the efficiency of the transportation system which carries British products to the harbors, and the flow of electricity that keeps machines turning all play important parts

in the national economy. Whether public ownership will prove efficient and will contribute to recovery is a question which Britons—and interested Americans—will continue to debate. But the problems of socialism and the difficulties of Britain's postwar position cannot easily be separated. The plans, controls, and regulations of a socialist-minded government do not stand out in sharp contrast to the apparatus of government planning which was necessary during the war and which is considered necessary today not only by socialists but by many serious students of the British scene. The Conservatives, although they frequently doubt the wisdom of Labor's tactics, very rarely attack the cabinet's economic strategy. The Tory "Industrial Charter" of 1947 criticized the operation of the industries already nationalized and promised to fight the iron and steel bill, but it did not propose to turn coal, transportation, gas, and electricity back to private owners.

Britons have come to recognize the importance of the export drive, the necessity for Cripps' "austerity" program, and the urgency for finding new efficiency for industries both in private and public hands. The government has appointed almost a score of "working parties" made up of management officials, trade union leaders, and technical experts to attempt to find new and better ways for running cotton mills, potteries, linoleum, furniture, and shoe factories. The Joint Anglo-American Council on Productivity, created as part of the European Recovery Program to put American know-how at the service of British industry, is another phase of this program. The wholesale introduction of American mass production methods may not follow—the British often state that the quality goods on which Britain's reputation rests cannot be made by mass methods—but a healthy analysis of traditional manufacturing practices will contribute something to increased productivity.

British industry has already made notable strides. Production at the end of 1948 was at its peacetime peak, 27 per cent above the level for 1946. The volume of exports for 1948 was more than

RECOVERY IN KEY INDUSTRIES



GRAPHIC ASSOCIATES

a third higher than 1938. "Invisible exports"—the services Britain performs for the world such as shipping, banking, and insurance —were making a comeback. The production of agricultural tractors in 1948 was twice the 1947 figure and ten times greater than the prewar rate. British shipbuilding was more than one-half the

world total, 1.2 million gross tons. And the "gap" between the cost of imports, at a reduced, austerity level, and the earnings of exports was slowly closing. Sir Stafford Cripps was able to present a four-year plan to the Organization for European Economic Co-operation which predicted a solvent balance of international payments by the fiscal year 1952–53.

If Britain achieves this goal, the Labor Party will certainly claim credit for successful socialist planning. It is equally certain that the Conservatives will argue that recovery has been won despite socialism, not because of it.

EQUAL OR NOTHING

The second and third aspects of the socialist program—to iron out inequalities and to bring about wide social reforms—tend to overlap. The gap between mansion and slum has long been a favorite theme for socialist orators, and is usually linked with differences in education, health services, job opportunities and so on. Christian socialists regard social and economic inequality as wrong and dangerous in itself and harmful to democracy.

But objection is one thing, and a practical way to banish inequality or to lessen it is another. The goal of the British socialists as expressed by Francis Williams is not "to abolish economic inequality or to put all incomes on a dead level, but to reduce the gap between the highest and the lowest and thus to make possible a more genuine social equality." The process of bringing about a greater measure of equality actually began with the heavy income and inheritance taxes imposed to pay for both world wars. The Labor government is using tax rates on the one hand and wage raises on the other as the tools to bring nearer the equalitarian ideal.

Wartime income taxes have been dropped for 3 million people in the lower income groups but the upper income groups are still subject to such high rates that only about 35,000 people in the country have net incomes above $8,000 a year, less than 900 have net incomes of more than $16,000 a year, and only 45 have net

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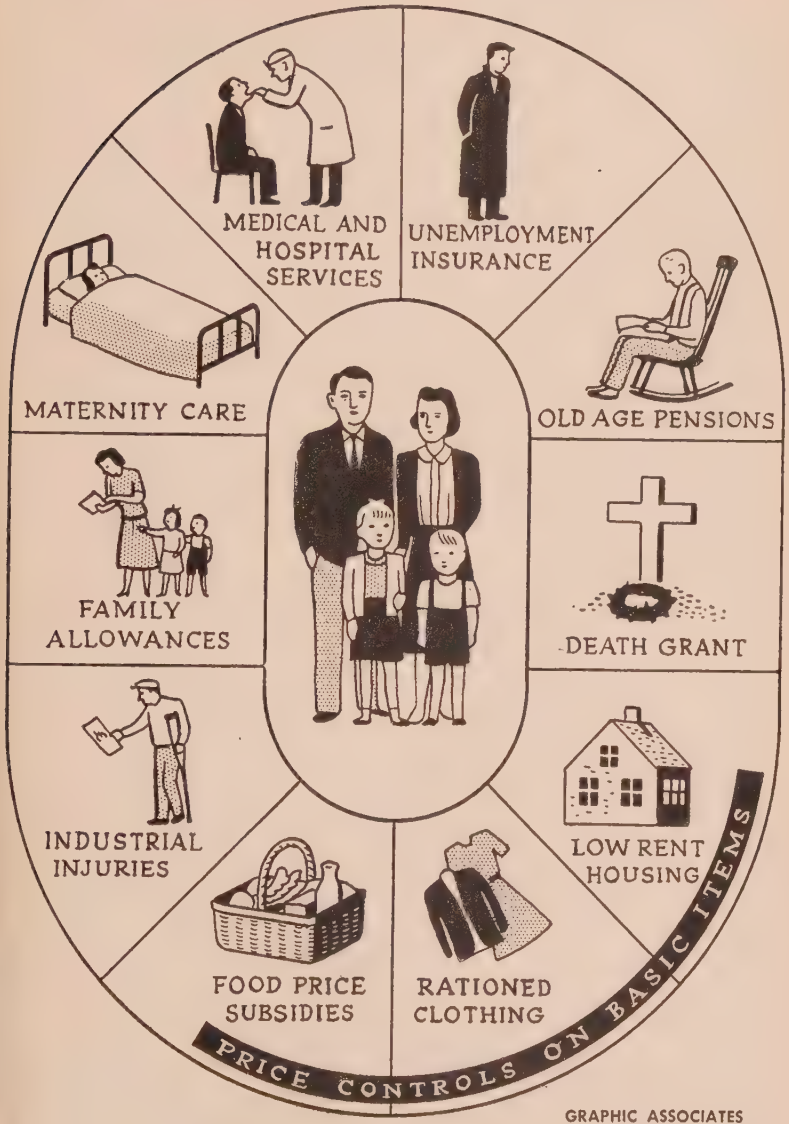
incomes of more than $24,000 a year. Inheritance taxes take from 24 per cent to 75 per cent of the great estates, so that famous inherited fortunes are disappearing. Meanwhile, weekly industrial wages are on the average two-thirds higher than their prewar rate, though the real wage gain has of course been cut by prices rising despite controls and declines in the quality of goods.

Before World War I a little more than 10 per cent of Britain's national income passed through the hands of central and local government. Today the figure is something like 40 per cent. This represents not only an increase in the cost of government—due partly in Britain, as in the United States, to internal war debts—but also the extent to which the state redistributes the national income. Even before World War II ended, a great reform of the British social security system was started along the lines laid down in the Beveridge report published in 1942. A family allowance act, passed by the coalition government in 1944, provided for the payment of a dollar a week to families for each dependent child after the first—that is, a family with three children would receive two dollars weekly. The Labor government passed further legislation, augmenting previous old-age, unemployment, sickness, and industrial injuries benefits and inaugurating maternity and death grants in a comprehensive "cradle-to-grave" program. It also greatly expanded Britain's system of socialized medicine until it now provides nearly all medical services for nearly all of the population.

In addition, the Labor government has continued the wartime practice of subsidizing the nation's supply of food at a cost which now runs at something like $1.6 billion yearly. These subsidies, along with rationing, provide the British people with a basic diet at approximately half the prices paid by Americans. As taxpayers, of course, the British provide the money for these subsidies, paying high duties on tobacco, alcoholic beverages, and various luxuries, as well as higher income taxes than those prevailing in the United States.

Labor's housing program also reflects the equalitarian tend-

BRITAIN'S WELFARE SERVICES



GRAPHIC ASSOCIATES

encies of the government. Four-fifths of the new houses going up are subsidized, low-rent dwellings built under government contracts. Other measures, including free school lunches, the expansion of educational facilities, town and country planning, and so forth, are related to the social reforms now going forward.

OPPOSITION CRITICISMS

The principles of economic planning and expanded social services receive support from many Conservatives as well as from adherents of the Labor Party. Important differences of emphasis, however, occur, and these are the issues of current British politics. *The Economist,* noted and influential London weekly, presented one opposition view recently. It pointed out that, although "the great productive spurt of the late Victorian and early Edwardian days had undoubtedly left human welfare in arrears," Britain has now "blessed and burdened itself with a formidable array of the most expensive welfare schemes" requiring "an edifice of state control and state expenditure which is barely supportable."

Critics of the Labor government contend that the equalitarian effects of rationing, price controls, subsidies, and taxation have resulted in benefits for the lower classes at the expense of the upper and middle classes. In fact, it is the middle class which is the great loser, for while the lower class moves up, the upper class moves down, and the great central section is caught between two pressures. What this may mean for the nation's future is undetermined. The middle class has in the past been an active source of business enterprise and a stabilizing influence in politics. If, as the socialists hope, class lines disappear in fact as well as in theory, the result may be that the whole of Britain lives as did the middle class, but this must await the solution of present economic problems.

Another point made by the critics is that Labor's leaders are not facing the realities. Their basic support comes from the working man, and it is understandable that they should try to get for

him a larger share of the national cake than he has. But they must not keep on pretending that the national cake is larger than it really is. Disaster lies at the end of that path.

Except for the element of avowed socialism, much of this sounds familiar to American ears which still ring with the arguments for and against the New Deal. The controls which affect every phase of British life were heavier during the war than those which irked Americans. They have been continued into the postwar years with very little change, and the changes for the better have been so gradual that Britons themselves are hardly aware of them. People still live, trade, and move within a stiff armor of regulation which a less united or less patient people—the French, for example, or the Americans—would not have endured so long.

Freedoms which were believed to form the backbone of British life have been given up. The right to live as one liked ended when rooms were requisitioned for women and children from bombed cities. The right to eat what one pleased and could pay for, the right to wear what one chose and could pay for, went with rationing. Privacy of the mails went with wartime censorship. It has not been fully restored, for the government has decreed that currency must not be sent out of the country and that the treasury must be able to find out whether or not it is being sent.

Some Britons contend that this insistence of the Labor government on regulation and control seems at times to lose sight of any future and to justify itself as though from some twisted moral decision that control and the forced submission to control were desirable ends in themselves. The one redeeming feature is that the British believe themselves to have given up their rights voluntarily, in an emergency, and to be able to retrieve them when that emergency is over. They grumble and complain, but they abide by the laws which their representatives make. They have submitted to Sir Stafford Cripps' "austerity" program because they believe it is the only program which, at the moment, can get the country out of its difficulties. Had such a program been pro-

posed by the Tories, it is probable that an important percentage of Britain's workers would neither have submitted nor believed. The Tories represent the men who were their masters. The Labor Party is, at least for the time being, their own.

That element of voluntary choice ranks high in any analysis of Britain's capacity to endure what comes. It is also the key to that power of recovery which has stood Britain in such good stead through former trials. As long as the British do things because they want to, they can recover. If too many things appear in which they have no choice, they go finally to the polls and vote the tyrants out.

It is the Labor Party's double task to keep this power of choice alive and to exercise at the same time whatever controls are essential to the end of national recovery. Labor must find the way to make national plans, to exercise needed controls, to give those plans enough flexibility so that they will include the power of choice and with it a drink of freedom.

4. The British Abroad

What the Labor Party has done outside Britain has been more in accord with the momentum of the national past rather than in the pattern of the socialist future. Within the Commonwealth the problems and promises accumulated under past governments had mostly been postponed by the wartime coalition. With the war over, the Labor government faced troubles both old and new.

India wanted its long-promised freedom. Burma clamored to be free. South Africa, with racial problems which make those of the United States seem mild, was in the midst of ferment, concerned among other things with its immigrants from India. Eire, which had remained neutral during the war, wanted to cut its last link with the crown and was also persistent in its demands for bringing Northern Ireland under its rule. Canada, Australia, and New Zealand (the latter two with Labor governments of their own) had each accumulated during the war problems that had to be thrashed out with each other and with Britain. So swift and uneasy were the changing relationships that the Imperial Conference scheduled to be held immediately after the war was postponed indefinitely. The Prime Ministers have met, but no formal, full-dress conference has been held since 1937.

It is convenient, in discussing Britain's difficulties with offspring and possessions, to divide them into three parts—those inhabited by people largely of British blood (Canada, New Zealand, Australia, and South Africa); those in Asia which, having been conquered and ruled for years, are now in the position of partners (India, Pakistan, and Ceylon); and those still occupying

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subordinate positions, the colonial empire largely situated in tropical areas around the globe.

The first group constitute, with the United Kingdom, the nucleus of the Commonwealth. Its members achieved their status at the Imperial Conference in 1926 in the famous definition (embodied in the Statute of Westminster passed by Parliament five years later) which declared the dominions to be "autonomous communities within the British Empire, equal in status, in no way subordinate one to another, though united by common allegiance to the crown and freely associated as members of the British Commonwealth of Nations." Canada, Australia, New Zealand, South Africa, the Irish Free State, and Newfoundland participated in this conference. Newfoundland has since given up its dominion status; recently it became a province of Canada. The Irish Free State became the Republic of Eire in 1937, connected with the Commonwealth only by "external association" by which its diplomats abroad were accredited by the crown. This last slender thread was broken at the end of 1948 by the repeal of Eire's external relations act, but Eire is still "associated" with the Commonwealth through reciprocal rights of citizenship and trade preferences.

The link between these "autonomous communities" of the Commonwealth is one of sentiment, background, and common interest rather than written agreement. There is no central administrative body to watch over their common interests. All that exists is the memory of the past, a present system of information and consultation between sovereign states, and their common allegiance to the British crown. The Commonwealth Relations Office (formerly the Dominion Office) in London and the Commonwealth Liaison Department of the Foreign Office act as a center and dispatching point for information to the dominions. The Prime Ministers consult—by cable, by telephone, in person, and through the liaison offices—but common policy can evolve only if their parliaments agree to it.

NEW DOMINIONS

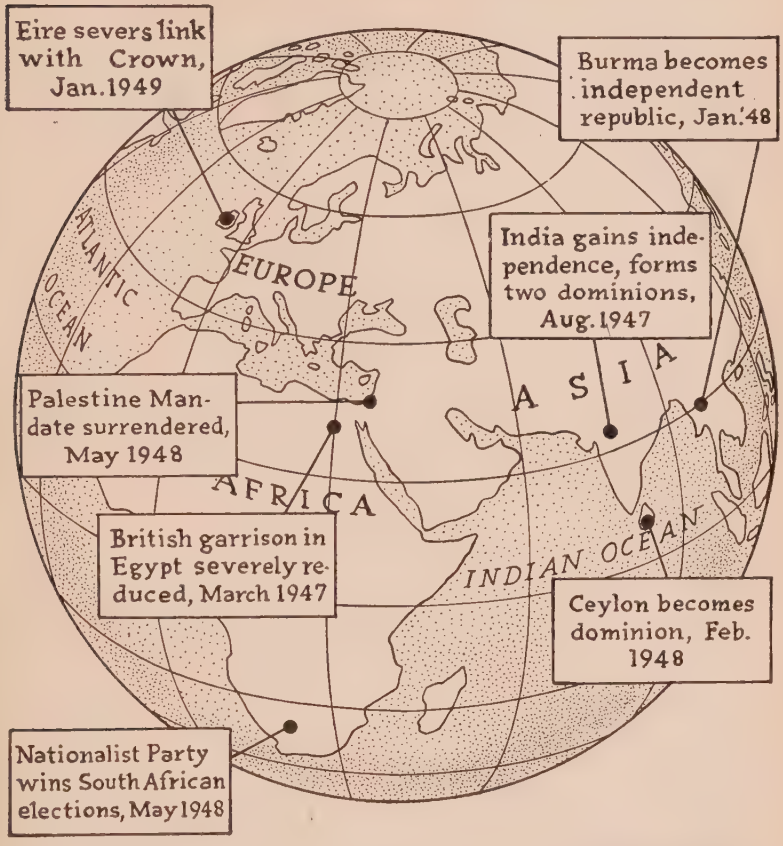
The new Asian dominions of India, Pakistan, and Ceylon have now been brought into the Commonwealth. Whether they will fit into the older dominion pattern or whether they will set a new one of their own will be decided by future Commonwealth relationships.

The road to Indian freedom starts at least as far back as 1917 when E. S. Montagu, then Secretary of State for India, defined British policy as seeking "the gradual development of self-governing institutions, with a view to the progressive realization of responsible government in India." Conservatives and Liberals played a prominent part in the slow loosening of Britain's hold on India, and the Labor government has followed this past tendency. As one of its first acts in 1945, the government announced that new elections would be held in India, and sent three members of the cabinet to India in 1946 to help Indian political leaders solve their difficulties. After long negotiations between the Moslems and the Congress Party in an attempt to free India as a united whole, it became clear that division on religious grounds was the only possibility. The Act of Independence was passed in August 1947. Two new dominions were created, Pakistan for the Moslems, and India for the Hindus, both members of the British Commonwealth of Nations. British relations with India and Pakistan, for years highly unpleasant, have now taken on a new friendliness, and economic links between the subcontinent and England are still important.

Ceylon became the third Asian dominion soon after Indian independence. Burma was offered similar status, but the Burmese chose to form a republic outside the Commonwealth at the beginning of 1948. Malaya also went through a process of transition, receiving a new federal constitution soon after Burmese independence.

The changing relationships and the increased independence of former dependencies have loosened many old bonds between Britain and outposts where the Union Jack once stood for govern-

CHANGES IN BRITAIN'S EMPIRE


Eire severs link with Crown, Jan. 1949
Burma becomes independent republic, Jan. '48
India gains independence, forms two dominions, Aug. 1947
Palestine Mandate surrendered, May 1948
British garrison in Egypt severely reduced, March 1947
Ceylon becomes dominion, Feb. 1948
Nationalist Party wins South African elections, May 1948
ATLANTIC OCEAN
EUROPE
ASIA
AFRICA
INDIAN OCEAN

GRAPHIC ASSOCIATES

ment and sovereignty. But despite this political trend, new and tighter ties have been formed with certain areas, particularly in Africa but also in the West Indies, through economic development programs. In 1940, before the fall of France and the subsequent intensification of the war, Britain set up a Colonial Welfare and Development Fund to provide grants for colonies, protectorates, and mandated territories.

With the end of the war, continued shortages led the Labor

government to further exploration of the food and raw material potentialities of the Empire. Britain's need was to find sources of foodstuffs in the sterling area. Two new public corporations were set up—the Overseas Food Corporation with a borrowing power of $200 million and the Colonial Development Corporation. Among its other projects, the food corporation is concerned with the large-scale program for growing peanuts in East Africa.

The Colonial Development Corporation's duty is "to investigate, formulate and carry out projects for developing Colonial resources." It can borrow up to $440 million from the government as capital. It is set up with three aims in mind—to produce in areas where Britain can use pounds for payment certain articles which it now can buy only with dollars; to raise the living standard of colonial peoples by providing funds for economic development; to develop exports to the United States and thus help the sterling area to earn dollars.

BRITAIN AND THE WORLD

The loosening ties of empire (checked though the process may be by closer military consultation) and the increasing independence of the young nations within the Commonwealth have given an entirely new aspect to Britain's position in the world. However well British citizens understand that loosened ties are not broken ties, however much their orators argue that the voluntary adherence of young nations is a greater source of strength than was their help when they were colonies, the rest of the world views the present process with some doubt. Britain, old, wise, and sophisticated in the manipulation of relationships, may be persuaded that a new life lies ahead in which London will act as a focus for regional groupings. Russia or the United States, less skilled in such subtleties, may be forgiven if they wait to be convinced.

Many people think that because the Labor government is run by socialists it must therefore share the socialist hope that national boundaries will disappear and all the world become a

socialist Utopia. Perhaps it does, but few acts of the British cabinet would make one think so. Here again the British socialists are Britons first and socialists second. The long history of British activity overseas cannot in a moment be turned aside into any socialist pattern whether it be with a British background of enthusiasm for trade union activity and social reform, or with a continental background of enthusiasm for Marxian theory.

To a surprising degree the Labor government's socialism stops at the dockheads. In a pamphlet published by the Fabian Society in 1948, Mr. Leonard Woolf explains why this is necessarily so. British socialism, he says, is essentially concerned with "domestic and imperial affairs." Here "the relation is obvious, direct and immediate. The government, provided it has the power through a parliamentary majority, can nationalize the mines or transport, or control investment, and so give the control of the means of production and distribution to the community and eliminate private profit . . . It can implement socialism imperially by starting a great scheme for growing groundnuts in East Africa through a public corporation or by nationalizing cotton growing in the Sudan or by giving the ownership and control of minerals in East and West Africa to the African communities . . . None of these things is true in the international field. The relation between socialism and questions of foreign policy is nearly always remote and obscure. It is impossible to see in most international questions how the Foreign Secretary, whatever he might decide to do, could possibly affect the control of means of production or equality of economic opportunity."

This dilemma was evident in the Labor Party platform and in the discussion on foreign affairs at the Labor Party conference in the spring of 1948. The platform is vague and benevolent. The party expressed itself as wishing: (1) to prevent war, and if war comes, to crush the aggressor; (2) to ensure economic well-being in all lands; (3) to ensure democracy and freedom in all lands. What country, of whatever political creed, would fail to echo such sentiments?

The party conference had under debate the proposal made by Hugh Dalton, former Chancellor of the Exchequer, that it should approve a United States of Europe only if this project was framed as a socialist United States of Europe. This was the leftwing position. Against it came the protests of men experienced in foreign affairs who took the position that European unity was of the first importance, and that if it had to wait until all Europe was converted to democratic socialism, Russia might in the meantime swallow up the continent.

BRITAIN AND EUROPE

In the world at large Britain faces three questions: What is to be its attitude toward Europe? What is to be its attitude toward Russia? What is to be its attitude toward the United States? In all of these it must think not only as the occupant of an island sitting twenty miles off the European coast, but also as the equal partner under the crown with members of the Commonwealth, and as the center of an empire with possessions of varying size and importance in every continent. In the first role, what happens in Europe is of the greatest importance to Britain; in the second, obligations elsewhere must be balanced with those of the Commonwealth; in the third, world events must be assessed for their effects on British territory.

Toward Europe, the present British attitude is a curious compound of the past, the present, and the possible future. A European union? If the British could lead it they might feel differently about it, but in their worst dreams they see it led by France as in the days of Napoleon, by Germany as in the days of Hitler, or by Russia. No one of those ideas contributes to peace of mind.

Western Union? So far, the moves in that direction have been empirical and experimental. A year ago Bevin said that the time for Western Union was ripe. Since then the Brussels five-power pact has been signed and the Organization for European Economic Co-operation has been set up and is functioning as a

means of integrating ERP aid. Preliminary discussions looking toward a European assembly are expected to establish a Council of Europe this spring. A North Atlantic defense pact, in which Western Europe would be linked for common defense with countries on this side of the Atlantic, is being drafted at this writing.

Meanwhile, the purpose and organization of Western Union are still far from clear in the minds of its various proponents. One group sees it as a well-organized and self-contained union which can hold the balance between East and West. Others look upon it as "a pillar of the free western world," linked economically and militarily with the United States, Britain, and the sister nations of the Commonwealth. The British, as is their habit, lean toward an association without a set constitution, entered into gradually, sidewise, and from necessity. They point to the failure of paper Utopias in contrast to the success of plans made by the sixteen European nations under stress of Marshall Plan requirements. "The advantage of the piecemeal, experimental methods which the Western governments are using is precisely this," says the well-known British journalist, Mr. Donald McLachlan, "that such difficulties are not raised as matters of principle in broad debate. They are dealt with as and when they affect particular problems."

One sector of British opinion, represented by the publisher, Lord Beaverbrook, believes that Britain will have trouble with its Commonwealth partners if it joins a European union. Those difficulties would be not so much political as economic. There would be little rejoicing in the Commonwealth if the system of imperial preference were extended to include European nations as equals of the dominions. On the other hand, it is hard to see how a Western Union could function if it were purely a political agreement.

BRITAIN AND THE TWO CONTENDERS

The British attitude toward Russia and the United States is really a composite of three attitudes—the one toward Russia, the

one toward the United States, the one toward the condition of tension between the two. The British attitude toward Russia has swung from friendliness and admiration to weariness and irritation. When the Labor Party came to power it hoped to talk to Russia as one socialist government to another. That hope was quickly dashed by the Russians, whose hostility toward the British in the meetings of the United Nations and elsewhere has been hardly less extreme than the Soviet attitude toward the United States.

British feeling toward the United States is more complex. American assistance is vital to Britain's recovery. Sir Stafford Cripps, writing his Economic Survey of 1948 before ERP went through Congress, said frankly: "Without United States aid . . . we should be compelled to cut consumption and employment and to abandon many of our development schemes." In March 1948 the British Labor Party submitted a memorandum on ERP to the European Socialist conference which showed not only acceptance of American good faith but acknowledgement that the United States is "entitled to seek assurances that the aid it provides will not be wasted."

Britain, however, is by no means ready to assume the position of a suppliant and fading relative. The admission of dependence on another country is not easy for a people with a heritage of independence and leadership. It is not surprising, therefore, that certain sections of the British public look upon American aid with some suspicion and resentment. This attitude is found both in Labor's left wing and among some Conservatives.

The Labor Party's program calls for extensive use of international co-operation and support of the United Nations. Britain, after twenty years of membership in the League of Nations, has more experience with international organization than the United States. One result of that experience is that there is perhaps less enthusiasm in Britain than in America for a supra-national organization as the savior of the world. But in spite of the Labor government's preoccupation with changes in the economic pat-

tern at home and changes in the Commonwealth and Empire abroad, it continues to send able men to Lake Success.

DRAGON'S BLOOD?

The aim of this pamphlet has been to set in perspective the position of Britain today against the triple background of its long past, the damages wrought by war, and the problems created by the changing relationship of nations in the postwar world. In setting forth the program and performance to date of the Labor Party which has been in office since July 1945, no attempt has been made to judge whether it has carried out that program well or badly. That question is one which the British voters will answer in the next general election, expected in 1950. An outside observer is caught by the size of the problems now being faced. Whether Labor's solutions for these problems are going to cure or kill the patient is a matter only the British people can judge.

Britain may, of course, sink into a weary and helpless old age, sipping its tea in social security, taking few risks, the object of pity and charity from former colonies which still retain a sense of loyalty to former ideals. In 1949 it does not look as much that way as it did in 1945. Already Britain's financial position, which deteriorated for two years, is improving. Production is rising, exports are increasing. The war showed that British technological ingenuity is by no means exhausted.

When the national pulse has slowed in other periods, Britain has drawn new strength by bringing into the government new men from groups hitherto disregarded. The rise to power of the Labor Party is again providing this tranfusion. Already discussions are beginning as to what is to happen next. Will the next election keep Labor in power? Or will the reforms enacted by the Labor Party, many features of which have been accepted more or less willingly by the entire nation, be absorbed by a future government with a less radical philosophy? Will Britain continue to fix its eyes on woes at home? Or will it, rested and revived, turn with new strength to world affairs?

The period when men asked whether Britain could survive after so long and wearing a war has passed. The question now is: In what form will Britain's recovery show itself, and how will the nation exert its powers of political invention and compromise in the international tangle? Will its venture into socialism make it possible for Britain to become, as many Britons hope, the mediating force between Communist Russia and the United States? Will it emerge from that venture with a new type of mixed economy showing the way toward a mutually advantageous peace between the two extremes of communism and capitalism?

Sir Oliver Franks, British Ambassador to the United States, recently amused an audience by comparing democracies and dictatorships in terms of vertebrates and crustaceans. The vertebrate, he said, is soft outside and hard within, so it can bend and give with outside pressures. The crustacean is hard outside and soft within. It cannot expand beyond the limits of its shell, and, because it is wrapped in its bones, it is inflexible.

Sir Oliver might have added that the vertebrate can shed its skin and grow a new one. Humans do it bit by bit, continuously. Dragons had, or so the old tales say, the power of shedding the whole at will and dazzling beholders by a new skin and even, at times, a new shape. It is that dragon blood which, combined with political skill, is Britain's hope.

Socialism and the King's English

by William W. Wade

One of Oscar Wilde's epigrams, frequently quoted at Anglo-American gatherings, proclaims that the United States and Britain have everything in common except a language. There is plenty of evidence for Wilde's germ of truth in the realm of everyday things. American visitors to England are always amused to hear the British call vest a waistcoat, an undershirt a vest, a subway an underground, and a streetcar a tram. It does not take long, however, to assemble a working Anglo-American dictionary which enables the trans-Atlantic visitor to converse fairly freely with the natives.

More important and much less amenable to tourist definitions is the gap between the political vocabularies of the two nations. Words which evoke one meaning in the United States have subtly different significance in Britain. And the emotions, the connotations and nuances which go with these words, can be greatly different in the two countries. Socialism is such a word. In America we are apt to regard socialism as a foreign ideology, supported here by such relatively small political groups as Norman Thomas and his followers. We may argue that socialism leads logically to communism, that Russia calls itself the Union of Soviet *Socialist* Republics, and that communism is inevitably totalitarian. Proud of our high standard of living, our technological achievements, and our genuine political freedom, we believe we can solve our problems under our own kind of capitalism.

In viewing British and other European trends toward socialism,

we often fail to understand why the rest of the world does not show more desire to copy the American pattern. We often fail to understand the political, social and economic forces in Europe which bring about such a predilection for "planning," or *dirigisme*, as the French call it. We see that European nations are poor by our standards. This leads some of us to think that they are poor because of their trends toward socalism. The European argument that it is the other way around—that they are planning because they are poor, not poor because they are planning—strikes us as surprising.

Yet the growth of British socialism is fairly plain evidence that the European point of view is not without foundation. In Britain socialism can hardly be called a foreign ideology. The word itself is of British coinage, dating back to the movement led by Robert Owen, one of the early capitalists of the Industrial Revolution who later devoted his life and his fortune to founding communal societies, including one in Indiana.

And British socialism is the child of British capitalism. Its theory would be filling book shelves today instead of winning votes and sending men to Parliament if it were not for the industrialization of Britain in the nineteenth century and the vast impact of this process on the life of the people. The socialist movement has been a long time in the making, and some of its landmarks are clear signals of its relationship to the prevailing economic system. For instance, Keir Hardie, the real father of the Labor Party, acquired at least some of his socialist faith from the fact that he had gone to work in the mines at the age of eight.

PRODUCT OF ECONOMIC CHANGES

Even more important to Labor's electoral successes are the fundamental economic changes which occurred in many of Britain's basic industries during the inter-war years. Coal, cotton, shipbuilding, steel, and others were in decline, beset by foreign tariffs or hampered by sharp competition from abroad. As a result whole geographical regions of the British isles, such as

South Wales, Durham, Northumberland, and Lancashire, were hit by an economic blight; they became known as "depressed areas." Unemployment rolls in these sections went as high as 40 per cent of the labor force; men were out of work for as long as ten years. It is not surprising that these regions return Labor M.P.'s in election after election.

British capitalism's answers to the depression often took the form of price fixing, reduction of output, and participation in cartels. Britain has no anti-trust laws; it has more than 2,500 trade associations, and frequently their function has been to fix prices and assign production quotas so that the less efficient firms are carried along by the more efficient instead of being driven out of business. In the United States the growth of big business units as the result of mergers and consolidations has provided the advantages of large-scale production. Despite trends toward monopoly, American consumers have had the benefits of cheaper goods. In Britain iron and steel and some other industries which have carried out monopolistic practices remain organized as loose federations of large, small, and medium firms. The consumers have had neither the benefits of large-scale production nor those of competition.

The persistent inefficiency of British industry, the relatively high number of aging factories, worn machines, and obsolete practices, are a part of this pattern. Enterprises which had been the most efficient in the world by nineteenth century standards weathered the economic storms of the twentieth century not by re-equipment and revitalization but by combination and agreement among themselves. Both labor and management had a part in this process, the workers resisting the introduction of labor-saving machinery in the midst of unemployment and the owners proving unwilling and unable to scrap old plants and replace them with expensive new installations.

Nor does the onus for this rest entirely on British capitalists and British workers in all cases. The cotton textile industry in Lancashire, for instance, could not very well modernize to recap-

ture its export markets when the response would have been higher tariffs in the United States, Brazil, India, and other countries developing their own industries. What is important is that British capitalism and the predominantly Conservative governments which had to deal with its problems did not wear well during the transition of these inter-war years. It was the reaction against this series of crises which gave socialism its strength and voting power.

SOCIALISM TODAY

Even if we come to understand the forces that brought socialism to its present position, we have to ask what British socialism is today and what it may be expected to become in the future. Will the Labor Party, if elected to office in 1950, bring another batch of industries under public ownership? And will it continue to do this—as long as it remains in power—until every business enterprise in the country is under state management? If it does so, how will the British pattern differ from the Russian?

There are no firm answers to these questions, which are still being debated by British socialists. But there is a partial answer in the emphasis Fabian socialism places on "gradualism," the notion that socialism must come by evolution and that this evolution, although "inevitable," may be slow. Clement Attlee, in a book written in 1937, stated that Labor's broad goal was the public ownership of all major industries. "But," he added, "there may well exist for a long time many smaller enterprises which are left to be carried out individually."

The question may be asked whether Labor's experience since 1945 with the nationalization of coal, transportation, gas and electricity, and other industries, has provoked any second thoughts on the proper timetable for socialism. Herbert Morrison, in many ways Labor's most brilliant campaign strategist, last year hinted that Labor's next platform will be one of consolidation, with much less emphasis than in 1945 on new industries to be taken over by the state and, presumably, much more stress on the efficient oper-

ation of the new public corporations. Moreover, Labor in appointing working parties has given a number of pledges to specific industries including cotton, boots and shoes, and pottery, that they are not to be nationalized in the near future. The British Labor Party has produced a mixed economy, part publicly owned and part in the hands of private enterprise. It seems likely that this pattern will continue to dominate the British scene for some time to come.

IMPACT OF FREEDOM

What impact does this trend have on traditional English freedoms? The early Fabians were democrats, and maintained that they were attempting to further the cause of democracy in the economic field where it had been previously lacking. Theirs was what is often called a "social democratic" movement; they meant to achieve their aims through the continued functioning of Parliament. This objective holds good today. No leader of the Labor Party would seek to change the British political system which includes the existence of a "loyal opposition," an alternative party organized so that it is always ready to take office when the government in power has fallen. And this, say the Fabian social democrats, is the basic difference between their philosophy and that of Soviet communism.

But what of freedoms in the economic field, the freedom to chose one's job, to buy the consumption goods one wants, to win rewards for enterprise and effort? Will these be better served under Britain's new society than they were when Adam Smith's formula of buying in the cheapest market and selling in the dearest was the order of the day? Certainly Britain's present economic life is hemmed about with regulations and restrictions as it probably never was before. Are these merely wartime measures carried over to meet Britain's postwar crisis? Or are they part and parcel of socialist planning? As in the United States, the arguments run pro and con. For some Britons Labor's economic policies lead down *The Road to Serfdom*; for others they provide

Freedom under Planning—to use the titles of two books by economists, Dr. F. A. Hayek and Barbara Wootton, respectively. That these issues provide the subject matter of election speeches and parliamentary thrusts and counter-thrusts, as well as of economic treatises, is the best clue to Britain's attempt to reach its decision by democratic means.

A 'LIBERAL' PROGRAM?

Is not the Labor Party's belief in social democracy and gradual change—which insure the existence of a mixed economy—something which we in the United States call liberalism? Admittedly, there is no precise American definition of the term "liberal," but it is increasingly used to refer to those who believe in gradual, experimental reform and who do not shy violently at the thought of public ownership in some sectors of the economy. In Britain the word has a much more precise connotation. A Liberal, with a capital "L," is a member of the Liberal Party, one who votes for candidates put forward by that party. There were more than 2 million Liberals in 1945, but they elected only twelve members of Parliament. Socialists contend that the Liberal Party, although not dead, is moribund because its basic philosophy is related to *laissez faire* economics.

The Liberals, who had their heyday in the nineteeth century, believed in free trade and minimum state interference with industry. Because they reacted against previous mercantilist state controls, they were reformers. But the tide of their reforms carried them beyond their fundamental principles—to a position where they faced problems of their own making—the need for factory legislation, child labor laws, social security, state medicine, and progressive income taxes. They met these challenges in large measure before World War I, but afterward the fate of their party was to be relentlessly squeezed between the older Conservatives and the rising Laborites. Today Labor's leaders claim a large heritage from the Liberals. They contend their passion for political liberty is no less and their passion for social legislation is much

greater. But they also state that the principles of *laissez faire* economics are dead.

Nor are they alone in that belief. A Conservative ex-cabinet minister in the Britain of today speaks of the "out-of-date *laissez faire* economic anarchy advocated by the United States." Another high-ranking Tory sees the role of government as one which not only intervenes in but also largely manages the nation's economic life. The stately *Times* of London, so often regarded as a Conservative organ but one which has been largely sympathetic to most of the Labor government's program since 1945, advised the Conservative Party flatly before its 1946 conference: "For this island, in the conditions of today, planning is indispensable. It is not enough for the Conservatives to denounce the plans of others; they must have a plan of their own . . . Partnership between government and industry has begun and will continue."

Planning is indeed Britain's modern passion. The issue of the planned or unplanned economy is decided, and British politics is concerned only with whether planning shall mean more and more public ownership of various industries or whether it shall be carried out through taxation, monetary policies, subsidies, and other more orthodox methods.

Such government intervention in economic affairs is not unknown in the United States; and the British are discovering that we are not the advocates of pure *laissez faire* policies they once thought we were. The Tennessee Valley Authority has long interested foreign socialists. The thoroughness with which the United States government publishes economic statistics—indispensable tools for the planners—has excited envy and imitation abroad. And others beside Ernest Bevin have been mildly amused that the "Americans are a great free enterprise people inside and wonderful planners outside" when it comes to the ERP.

DEFINITIONS AND POLITICS

Recently President Truman gave his blessing to a "planned economy," as distinguished from a "controlled economy." Already

the question of government entry into the steel industry has arisen here; public ownership of the railroads comes up occasionally for discussion. Thus, we are becoming aware of problems similar to those that beset the British. This does not mean that we should, or that we shall, attempt the same solutions. We shall seek and find our own solutions, quarreling over them on their merits, quarreling also over what they shall be called. Governor Dewey thinks that some aspects of President Truman's program are "relapses into totalitarianism," but Mr. Truman asserts that there is "not a word of truth" to the sixteen-year-old, "worn-out bugaboo that socialism is taking over in Washington." American planners are willing to be known as "New Dealers" or "Fair Dealers," but they shun the label of socialism.

One reason for this Anglo-American difference in political nomenclature is the absence in the United States of a Fabian Society. One of the campaigns conducted energetically and effectively by the early British Fabians was to call a socialist spade a socialist spade. In their eagerness to prove the "inevitability" of their "gradualness," they made a practice of pointing out all the examples of working socialism already in existence, listing everything from municipally-owned waterworks to the licensing of street peddlars. They were so successful that a Liberal cabinet minister at the turn of the century could say that "we are all socialists now." No American politician—fifty years later—is likely to make such a rash statement. But a British visitor, hearing us debate about the steel industry, state medicine, and planning versus controls, must feel that he has passed this way before.

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by Thomas J. Hamilton